

## Section 20.2 Life Insurance

(a) The City shall provide, at its expense, a term life insurance group policy for employees in classifications set forth in Appendix "A" hereof in an amount equal to the employee's annual base salary as stated in "Appendix A" of this MOU. Income tax consequences, in conformance with IRS regulations, will be the responsibility of the employee. All employees earning under \$25,000, will have a life insurance benefit of \$25,000.

(b) Said employees shall be entitled to purchase, at their own expense, additional term life insurance to the extent permitted by the policy carrier under such terms and conditions as are customarily imposed by such carrier in its normal course of business.

(c) Subject to agreement with the mid-management and management bargaining units, the City agrees to provide Level IV 1959 Survivor's Benefits to members of this bargaining unit. This benefit has a monthly employee cost (currently \$2.00), determined by PERS, and a rate based on actuarial valuation to the City on a monthly basis.

## Section 20.3 Retirement

The retirement system in effect between the City of San Bruno and the Public Employee's Retirement System (PERS) on behalf of eligible full-time and permanent part-time employees of this unit shall be 2% at 55 for all eligible employees. Final compensation for purposes of calculating retirement benefits shall be based upon the highest average annual compensation earned by the employee the last consecutive year of employment preceding the date of retirement.

If during the term of this agreement, new PERS retirement benefits should become available for this bargaining unit, and if other bargaining units affected by those benefits have the option to reopen negotiations on the issue of retirement benefits, this bargaining unit shall have the right to ask the City to reopen negotiations on the issue of retirement benefits. It is understood that such re-opener may allow the City to modify other economic benefits contained in this agreement to provide improved retirement benefits.

In lieu of Sick Leave Payout Upon Termination provisions previously provided in Section 19.1 (b) (14) of this MOU the City agrees, to the extent permitted by PERS and at such time as permitted by PERS, to amend our contract for inclusion of a Credit for Unused Sick Leave retirement option as outlined in Government Code section 20862.8). Until such is implemented the previously existing conditions of Section 19.1 shall be operable. The cost of the PERS sick leave buyout option shall be paid by the City.

## Section 20.4 Deferred Compensation

(a) If employees in other bargaining units are offered deferred compensation plans other than that which the employees in this bargaining unit have previously been offered, the employees in this bargaining unit shall also be allowed to participate in any such additional plans.

(b) The City agrees to permit employees of the bargaining unit, to the extent permitted by law, to voluntarily participate in a deferred compensation program as provided for in Resolution 1984-48 AUTHORIZING AND APPROVING A DEFERRED COMPENSATION PLAN FOR PARTICIPATING EMPLOYEES.

(c) The City agrees to meet and confer with the union, upon their request, should the Internal Revenue Code be amended so as to adversely impact the intended purpose of the adopted deferred compensation program.

#### Section 20.5 State Disability Insurance As An Employee Paid Benefit

(a) To the extent permitted by the State of California, the City agrees, as a 'fully employee-paid' benefit and handled as an authorized employee payroll deduction, to enroll qualified employees subject to this Memorandum of Understanding into the State Disability Insurance (S.D.I.) program.

(b) To facilitate a coordination of benefits with regard to the use of authorized sick leave accruals used by an employee during such period(s) of time when such employee is drawing disability insurance benefits relating to paragraph (a) the City shall, upon actual enrollment in the S.D.I. program and after meeting and conferring with the Union adopt a schedule of sick leave reinstatement for S.D.I. funds received from an employee.

(c) In no event shall an employee, during absence from work for an illness or disability where S.D.I. benefits are paid, earn an amount of compensation greater than the straight-time wages regularly payable if the employee had actually worked.

#### Section 20.6 Health Insurance After Retirement from City Service

The City is agreeable to consider development of a trust fund or annuity option with a third-party provider to allow employees to use sick leave payoff or employee contributions at retirement as a vehicle to provide for payment of retiree medical coverage.

### Section 21. Safety

#### Section 21.1 Observance of Safety Rules and Regulations

Both the City and the Union shall expend every effort to ensure that work is performed with a maximum degree of safety, consistent with the requirement to conduct efficient operations.

Each employee covered by this memorandum agrees to comply with all safety rules and regulations in effect and any subsequent rules and regulations that may be adopted. Employees further agree they will report all accidents and safety hazards to the appropriate management official immediately. Any employee having knowledge of or who is a witness to an accident shall, if requested, give full and truthful testimony as to same.